EAST ORANGE BOARD OF HEALTH REGULAR MEETING

East Orange Department of Health & Human Services 143 New Street East Orange, New Jersey 07017 June 21, 2022

MEETING MINUTES

Meeting Call to Order - 5:35 PM

Board President Christine Harris read the following **Sunshine Law**: This meeting, which conforms to the provisions of the Open Public Meeting Act, Chapter **231**, and Public Law of **1975** is a regular meeting of the City of East Orange Board of Health. Notices have been filed with our official newspaper, with the City Clerk, and posted on regular bulletin boards. The public is permitted to participate at this meeting.

Zoom Communication ID: 844 4149 3620

Meeting Link: https://us02web.zoom.us/j/87456588947?pwd=RkR5cHA2VERKWWxMQXB6N1p5MXIZUT09

After the roll call, it was determined there was a quorum to convene the meeting.

Board Members Present:

Christine Harris, President Horace H. Henry, Vice President Tobbia M. Corbitt Deanna Phillips Angela Jones-Williams - absent Dr. Tonya X. Cook

Council Liaison:

Tameika Garrett-Ward - absent

Board of Health Counsel:

Attorney Farah Abuobead

Health Department Staff:

Dr. Griffith, HHS Director - absent Victor Kuteyi, Health Officer

Mayoral Staff:

None

Guests:

Tiffany Harris-Delaney, Director of East Orange Department of Policy, Planning, and Development,

Attorney Rosemary Matos, of the Law Firm of Rosemarie Matos,

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Public in attendance:

None

Approval of May 17, 2022, Meeting Minutes:

Approved Unanimously

President Harris Updates:

HO Kuteyi Retirement

President Harris shared some information about HO Kuteyi's background and accolades. Board members expressed appreciation to HO Kuteyi for his immeasurable contributions to the HD during his tenure with the City.

Introductions

President Harris introduced Tiffany Harris-Delaney, Director of the East Orange Department of Policy, Planning, and Development, and Attorney Rosemary Matos, of the Law Firm of Rosemarie Matos, the outside counsel hired to draft our cannabis legislation. Director Harris-Delaney and Attorney Matos will speak with the Board regarding the cannabis ordinance.

President Harris shared that the BOH had a range of questions regarding cannabis: its regulations, if a member of the HD will be a participant on the commission, number of licenses issued, areas for agriculture and processing plants, retail sites and current progress.

Cannabis Ordinance Overview

Director Harris-Delaney shared the City of East Orange chose to opt in regarding the retail license for cannabis. The City felt that it was in the best interest to be proactive in establishing licensing requirements for cannabis, as well as making sure that there were strong land use regulations. Therefore, the City has chosen to opt into six classes of licenses for cannabis businesses. President Harris asked, aside from being proactive, what other factors were considered when opting into the licenses. Currently, the class five retail license has been our primary focus. To date, the City has not issued any retail licenses; the State is issuing them after their vetting process.

Director Harris-Delaney stated our City was hard hit by those affected by the criminalization of cannabis. Therefore, the City considered decriminalization as an opportunity to provide equity for those most impacted. Another consideration is the significant revenue that cannabis sales will generate, which should assist the City in multiple areas, including the introduction of

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more health-related advocacy. President Harris asked if the intent is to allocate specific funding towards education and health from revenues generated from this enterprise.

Cannabis Taxation & Revenue Allocation

Attorney Matos shared that per State regulations, EO will impose a tax rate of up to 2% on all businesses depending on the license type. President Harris inquired if there were any discussions regarding what percentage of those monies will be dedicated to education and health. Director Harris-Delaney shared that any proceeds or revenue generated from the cannabis businesses will go into a general fund. Simply because we cannot assess the amount of funding we will generate at this time.

President Harris clarified she was not asking for a specific allocation amount but wanted to know if the City would commit to these two crucial components because the residents would be significantly impacted. Education will be essential to health and other aspects of health to offer needed support. Director Harris-Delaney shared in her proposal to the Mayor and administration that she requested a portion of revenues be allocated for those initiatives. Director Harris-Delaney shared that her tenure working in hospitals and non-profit organizations has familiarized her with individuals suffering from substance abuse affliction and their need for advocacy. The administration, the Mayor, and City Council are considering funding health-related cannabis initiatives.

Cannabis Amendments

Attorney Matos asked the Board if they were familiar with the cannabis ordinance. President Harris remarked they had seen the last amended version passed. The Board has not seen anything else in a draft form or additional information or clarifications. Since this is a work in progress, we assume you will update these ordinances as you gather more information and refine the process to be passed. Director Harris-Delaney shared we are in the process of drafting the third amendment to this ordinance.

Attorney Matos shared a brief synopsis of how she became involved in amending our ordinance. In early Summer of 2021, Mayor Green tasked her with drafting a template of the ordinance. The draft was created after the first bill passed in February 2021 and before the rules were promulgated on August 19th, 2021, as we were approaching a deadline for the municipalities to opt in or out by August 20th. An ordinance was drafted based on her 3+ years of experience regarding cannabis legislation to satisfy the initial rules. Based on the then-existing bill, we put together an ordinance that created the Board of Cannabis Control that allowed the City to select the usage, transfer tax, and set for this some preliminary guidance on licensing.

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Attorney Matos' directive from the Mayor was to create an ordinance with clear directives on what is required to obtain their approvals. Attorney Matos believes the ordinance bill passed on second reading on August 22nd, the day after the rules were officially promulgated; however, some rules were modified. Attorney Matos shared that at that point, she stepped away,

and Corporation Counsel made some amendments based on the CRC (Cannabis Regulatory Commission) rules. The Mayor asked Attorney Matos to resume her work on the ordinance as there has been some interest from applicants, and now it's time to roll out this process.

We are revisiting the ordinance considering changes that occurred since the applications opened by the CRC in 2019 and understanding how the CRC rules changed the bill. Needed corrections are being made, allowing us to set forth a process that conforms with the State's protocols. The first step is drafting a resolution of support. Once a business receives its license from the State, it will need to obtain a local permit.

Attorney Matos noted the ordinance has not changed concerning the number of licenses, taxation percentages, or how tax revenues will be dispersed. The allocation of tax funds was never written into previous versions of the ordinance. The act states municipalities can charge up to 2% depending on the business type as a transfer tax. If a business has an expanded ATC (Alternative Treatment Center) with multiple locations, the City can charge a user tax and decide how to allocate those funds. The ordinance's language needs to be finalized so it can go before the proper government body, City Council, to be passed.

Cannabis Applications

Attorney Matos shared she is simultaneously creating the application that will be required to obtain licensure. Director Harris-Delaney suggested creating a flow chart to detail the entire approval process. Attorney Matos stated the Cannabis Control Board has not formally met, but they will need to do so to approve applications. There has been some interest from applicants, but the CRC has been very slow to respond to applications. As of June 21st, we started accepting cultivation and manufacturing licenses seven months ago, and they've only approved a hundred applications and some conditionals.

Attorney Matos noted she manages this process for numerous clients in different municipalities, and everybody's in a different stage. Some towns haven't done anything. Some towns are still opting back in; some have given out a ton of resolutions. So, there is a huge learning curve, allowing her to see what has worked at other municipalities and what has not.

Cannabis Committee

President Harris asked if the City is still selecting members of its cannabis commission. Director Harris-Delaney shared all members of the commission have been selected. President Harris asked if any commission members were from the Health Department. Director Harris-

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Delaney shared that the HD is part of the application review process but not a part of the committee.

President Harris asked for clarification regarding the commission's role and the members' names. Director Harris-Delaney noted there are seven board

members and provided their names. Two are members selected by City Council, and the Mayor selected the remaining five. In addition, Director Harris-Delaney shared Aziza Kibibi is a member and has been selected to act as the president of the cannabis board.

Each member of the Board is from East Orange, and either owns a business or volunteers in other capacities. Director Harris-Delaney shared the Board was tasked to act on behalf of the City by reviewing applications to ensure that they are complete and meet all the requirements that we've outlaid in the ordinance. In addition, the liaisons act as the voice of the Council by listening to the meeting, exchanging, and conveying Council's thoughts.

Health Department's Role

President Harris asked for clarification on the role of the HD. Director Harris-Delaney shared that the health department's role is to review portions of the application pertaining to health. Currently, the City is not accepting medical licenses, which would require additional input and review from the HD. Additionally, the cannabis regulations strictly apply to recreational usage. So, we've been trying to determine where your interests mainly lie with the content the applicants submit. We know that they're required both at the State level and the local level to explain their qualifications, the nature of the business, and how they propose to operate financing. We must also understand their community impact, educational outreach efforts, their record of social equity, corporate social responsibility, and philanthropy. And then, they need to address security and individual operations specific to their license type. Retail includes selling products over the counter, and cultivation involves growing. Director Harris-Delaney envisions the Health Department's role less on the retail side but more on the cultivation and manufacturing part because those entail growing and manufacturing products out of cannabis.

New Forms of Cannabis

President Harris asked if Attorney Matos was considering the new forms of cannabis that can be distributed at the retail level as part of your manufacturing when drafting legislation. Attorney Matos clarified retailers could only sell packaged goods. They cannot roll their own flower. Items will be packaged and purchased directly from the cultivator, the manufacturer, or a wholesaler. They're selling the product as it's packaged and bought by them to the consumer. Retailers have no role in divvying up products, or it's already divided up in ounces or packages. That's all handled at the cultivator level.

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Each license, cultivation, and manufacturing require them to package their products and label them appropriately. President Harris asked if these rules are in place because there are other forms of cannabis. Attorney Matos concurred, stating there are topicals and tinctures. Gummies and edibles are not allowed.

Ordinance

President Harris asked if the Board would receive a copy of the amended ordinance before its approval from Council. Director Harris-Delaney stated she hopes to be able to distribute the amended version once the Mayor and administration have had an opportunity to review it.

Cannabis Map

President Harris asked if Director Harris-Delaney had decided which areas the cultivation and manufacturing would be located. Director Harris-Delaney shared with the Board a map outlining those locations and explained the color-coding of the map. The green areas are approved for cannabis retail, as well as some of the other classes. These areas are primarily located in the industrial parts of the City and along our business corridor such as along Main Street and Central Avenue.

School and Houses of Worship Buffers

The cannabis zoning map outlines schools in brown; however, cannabis will not be permitted within 100 feet of schools. Board members stated they were under the impression cannabis sales would not be permitted within close proximity to schools. Director Harris-Delaney stated that the application would not be approved if a business tries to open a cannabis retailer near a school, especially if it falls within a hundred feet radius. Attorney Matos stated that many municipalities had done away with the radius within public and private schools to broaden the opportunities for retail. We've maintained the 100 feet distance in our ordinance, which tends to be the norm. The distance, which we call the school buffer, is really up to the municipality to determine. After the original ordinance was passed, the 200 feet buffer was amended to 100 feet.

A few years ago, the legislation called for a thousand-foot school buffer, as they were using the criminal statute for drug-free school zones. Since then, the CRC has done away with that. Attorney Matos shared she is not aware of the driving force in changing it, but based on her experience with other municipalities, there are a couple of issues. Number one, you still have about 60% of the towns that are opted out. Some are planning on opting back in, but they haven't done so. So many towns still do not allow this, making very small pickings for the people who want to move forward, where they can apply. They can only go to towns that have opted in.

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The number of available properties is another issue. There is a statewide shortage, and properties are scarce. At the last CRC meeting, somebody who got a conditional license complained that she couldn't find a property. When the zoning map was reviewed by Mr. Steplight and Director Harris-Delaney, early in the process, there were not many schools impacted by this change.

Trustee Corbitt asked if the buffer included houses of worship. Director Harris-Delaney stated this ordinance does not include houses of worship.

The Board expressed concern regarding the buffer zones between enterprises and schools. Although we're attempting to engage in a legal enterprise, a lot of illegal activity continues. We don't want the fact that we have a business next to a school to influence a child's propensity to participate in cannabis usage. We want to utilize education, particularly as a means of dissuading them from getting involved.

So, from a BOH and public health perspective, the safe zones near schools should be a little more distant. Director Harris-Delaney asked if the Board suggested we return the buffer zone to 200 feet. Board members requested the buffer zone to reflect whatever greater distance is possible and still allow your objective to be achievable.

Dispensaries and Customer Access

Director Harris-Delaney provided clarity on dispensaries to dispel some misconceptions. Director Harris-Delaney shared, that dispensaries are not allowed to advertise with any leaf paraphernalia. These establishments will not have any imagery or signage to suggest they are cannabis retailers. The windows are opaque, preventing passersby from seeing what is transpiring in the establishments. There is exceptionally tight security; you must be 21 or older with proper ID and complete rigorous screening and checkpoints once inside to ensure underaged individuals cannot buy any products. It's not like a bar restaurant where a young person can walk in because it's a restaurant, but they're selling alcohol. Retailers are strictly 21 and over, with proper identification required at the main checkpoint.

Director Harris-Delaney asked if any board members had visited a cannabis retail location. Board members mentioned they had seen them in the malls or driving down highways; they're easily recognizable but have not walked into one. Director Harris-Delaney explained that smoke shops are operated vastly differently from dispensaries. Smoke shops are most likely selling hookah, vaping products, and things of that nature.

Director Harris-Delaney shared that she provided the Cannabis Committee and Councilmembers an opportunity to tour two facilities. The Apothecary in Maplewood and Rise Dispensary in Bloomfield. The Apothecary is run and operated like an Apple store. Upon entering the facility, you have to check in, and they give you an ID card before you're even permitted to enter the store to place an order for any cannabis. They have staging where

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there's security outside to ensure that you're parking safely. You wouldn't know it was there unless you are a cannabis user.

Most facilities, especially those that have a medical component, are very client-centered, and focused primarily on servicing the customer from a

health perspective because many of the users, prior to them getting their retail license, we're most likely getting it through a medical license facility where there's a medical need that they're trying to address.

Their approach to many of these establishments is very different than you may imagine, so she encouraged the Board to participate in a tour to better understand daily operations. Director Harris-Delaney offered to share pictures and a synopsis of the tours with the Board.

Director Harris-Delaney remarked The Apothecary in Maplewood was probably one of the best experiences for our Council members because the mayor and deputy mayor, and some of their advocates who do community outreach were present. The feedback from that tour was very well received.

Board members asked if a similar tour could be scheduled for members. Director Harris-Delaney stated she would love to host a tour for the BOH to allow members the experience of how these things are managed and operated.

Dispensary Security & Regulations

Director Harris-Delaney shared that there are very tight controls, which are highly regulated. A lot of money is invested in running these operations, so there are stringent rules and regulations that they all must adhere to, and they all have to present this in their application when it's going to the State for approval. We are not just approving, any individual who thinks they can run a business; there has to be long-term sustainability planning. Also, there should be security measures, odor mitigation, etc. So, there are several factors that go into allowing these operators to operate within the municipality.

Attorney Matos expanded on the tight security measures in place at these facilities. In addition, retailers are not allowed to break the seal on products. If a seal is broken, they must discard the unused product; it cannot be sold or resealed. There are tracking systems in place that track where that seed was planted, when it was dried, rolled out, if it was sold to a manufacturer, what product it went into, and then ultimately, which consumer it was sold to.

President Harris asked if the tracking and data retention is just locally managed or is a part of the state or federal government regulations. Attorney Matos stated the tracking information is provided to the State. The municipality can obtain that information from them. The camera feeds for the facility will go directly to the City. Some municipalities will also request copies of complaints. There is room for municipalities to make recommendations and expand on what the CRC requires.

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Cannabis Advertisement

Attorney Matos shared cannabis advertisement is restricted. The CRC rules have a section on various forms of advertising. It restricts the times you can advertise and the things you can say, you cannot promote health or medical efficacy. ATCs have been open since 2014 but don't need to advertise, as the business is there. That may change, but right now, we have the guidance that the CRC provides, limiting what you can say, and the times you can advertise.

Televised advertising must occur late at night to prevent kids from seeing it. The other thing is labeling. Labeling is also heavily regulated, and CRC is very particular about this. The corner stores are selling items that look child-friendly but are CBD products. Packaging like this is prohibited in cannabis retailers to prevent children from making mistakes when products are brought home.

Retail Models

President Harris asked if EO retailers would model their businesses after the Montclair and Bloomfield stores. Director Harris-Delaney stated each applicant would paint a picture of what their retail shop would look like making them unique. Granted, they still have to meet our standards and regulations, including going before the planning board for application approval.

On-Site Consumption

President Harris asked if consumption is allowed on the premises. Attorney Matos stated consumption lounges are permitted in the ordinance, but they would have to apply for that license. A retailer cannot have a consumption lounge if they are not approved for the license. The State allows the municipality to determine if they will allow consumption areas. This will create a safe space, particularly for underprivileged or individuals living in subsidized housing, where they may not be able to consume at home. If the municipality allows it, you can apply for what they call an endorsement. If you're a retailer only, you can apply for an endorsement and get State approval to operate a consumption area. There are no rules on whether the lounge should be located on the premises of the retail store or separate from where retail sales occur. We are waiting for the CRC to roll out the rules.

Number of Daily Allowable Cannabis Purchases

Board members asked if there is a limit on how many cannabis purchases can be made in 24 hours. Attorney Matos confirmed a limit on the number of purchases that can be made within 24 hours and should not exceed 2 ounces.

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Enforcement of Regulations

Vice President Henry asked who was in charge of enforcing the regulations. Attorney Matos stated that it falls under the purview of the cannabis board. They're in charge of all aspects of licensing. So, if there are any rule

violations or concerns, they also must inspect. The applicants are signing off on the ability for the City to come in at any point and inspect.

On top of that, the State is also very big on enforcement. So, if you lose your state license at any time, that affects your City permit. President Harris asked if any thought had been given to the illegal aspects of marijuana growth in someone's backyard and illegal sales. Attorney Matos stated homegrown is not permitted in this State and will be strictly monitored.

Managing Constituent Complaints

Board members mentioned there might be complaints regarding cannabis odors. Director Harris-Delaney explained that the cannabis control board enforces the establishments to ensure they comply with all State and municipal regulations. The board will investigate any complaints against retailers and issue fines where applicable. In cases where the offender is an individual, those matters will be addressed by EOPD to investigate any public nuisance violations. We must also be mindful that while we may not like the smell of cannabis, if a person is approved for medical usage, they are within their right to smoke, particularly on their property.

Resident Surveys & Educational Components

Trustee Corbitt asked if any surveys or town halls took place to educate our residents. Director Harris-Delaney stated that surveys went out to residents to ascertain their interest in bringing cannabis to the City. Seventy-nine percent of those surveyed were in favor of cannabis. In addition, the survey was disseminated via the Mayor's office.

Director Harris-Delaney shared retail establishments offer educational sessions as a component of their operations. In addition, many have workshops and webinars to educate the community on cannabis and its health benefits. They examine it from a medical perspective and present its pros and cons. That is available to the constituents, those who will frequent the establishments or are interested from a City's perspective. We rolled out only one community forum this year, but we will try to do more outreach and engagement.

Attorney Matos remarked that many organizations have been teaching about safe consumption and the power of the plant for years. They will gladly come to the City and educate residents. Attorney Matos shared she will be speaking at a similar panel discussion and offered to share the information with the Board.

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Construction of Cannabis Retailers

President Harris asked if the ordinance must be approved before any construction begins. Director Harris-Delaney stated retailers must go before the planning board to obtain approvals before construction begins.

Different Types of Cannabis Products

Board members asked Director Harris-Delaney to explain the different types of cannabis products. They're two different products derived from marijuana and different parts of the cannabis plant. By its legal definition, CBD has less than 0.03% THC, the psychoactive drug component. CBD is hemp-derived, just as cannabis is, but without the THC, which is not regulated, you need to get a license to grow hemp, but anybody could sell it. There's very little regulation other than the FDA has taken the position concerning advertising or labeling restricting representations regarding medical efficacy.

The difference here is THC. You need a special license, which is why they get away with these things. The hemp bill passed, became legal in December 2018, and is considered its own class. Hemp is federally regulated by the Department of Agriculture and at the state levels. Anybody that grows hemp will get some form of licensing through the State Department of Agriculture under the CRC guidance. Studies have shown that many retailers do not test their products and put labels on products that are not CBD by their definition, or they contain more than 3% THC, which is illegal.

President Harris thanked Director Harris-Delaney and Attorney Matos for sharing this information with the Board and commended them for their tremendous efforts.

At the conclusion of Board business, President Harris adjourned the meeting at 7:14 pm.

Respectfully submitted, Jo-Ann Mills Board Clerk